

First Interstate Properties

25333 Cedar Road, Suite 300, Lyndhurst, Ohio 44124

FOR RELEASE ON THURSDAY, DECEMBER 30, 2011

First Interstate Purchases Oakwood Country Club Nearly Half the Land to be Preserved as Permanent Green Space

CLEVELAND, OHIO – First Interstate Properties today announced it has purchased 62 acres of the former Oakwood Country Club property in South Euclid. First Interstate also has a contract in place to purchase the remaining 92 acres in Cleveland Heights.

The plan for the property calls for 69 acres – nearly half of the land – to be permanently preserved as dedicated green space for use by the public. Another 63 acres would become a multi-tenant retail development and the remaining 22 acres would be a high-end residential development. First Interstate will invest \$45 million into the South Euclid multi-tenant retail project, \$20 million into the Cleveland Heights multi-tenant retail project and an additional \$50-\$100 million into the rest of the Cleveland Heights development parcel, if that portion of the sale goes through as planned. The total capital investment could be as high as \$165 million, creating new tax revenues for the Cleveland Heights-University Heights School District.

The 154-acre property straddles the border of Cleveland Heights and South Euclid, west of Warrensville Center Road between Cedar and Mayfield Roads. Oakwood Country Club members decided to sell the property last year, when club members joined together with the Mayfield Country Club in Lyndhurst, where former Oakwood members now belong.

“We have been working closely with the administration of the City of South Euclid to plan this development so that a significant parcel of land remains open green space, permanently available to the community,” said Mitchell Schneider, president of First Interstate Properties. First Interstate will sell 21 acres east of Revere Road to the City of South Euclid for \$1 and plans to transfer another 45 acres east of Oakwood Drive to the City of Cleveland Heights, both for permanent, dedicated community green space. If the plan is approved, all of the multi-tenant retail will be along Warrensville Center Road, with open green space and parkland to the north and west.

“If all goes according to plan, almost half of the total acreage will remain undeveloped and available to residents for recreational use,” Schneider said. “This concept offers the best of both worlds by preserving a significant amount of open green space, while improving the tax base and bringing new retail options and new residential country club lifestyle options to current residents of the eastern inner-ring suburbs.”

- continued -

Schneider has pledged to bring in retailers with a commitment to sustainable design and LEED-certified “green” building techniques, including innovative stormwater management. “We expect to set a new standard in Northeast Ohio for sustainable, green commercial development,” Schneider said. “This is in keeping with the goals of both South Euclid and Cleveland Heights to enhance their communities’ commitment to green living.”

The commercial components of the development are expected to bring at least 400 permanent jobs to the South Euclid portion of the property and an additional 200 or more permanent jobs in Cleveland Heights.

“This property is one of the few tracts of undeveloped land in the inner-ring suburbs so we are very pleased that so much of the property will be permanently protected green space,” said South Euclid Mayor Georgine Welo. “The development as planned brings new and important assets to our community. In addition to new park land, the City will add hundreds of much-needed jobs and tax revenue from the retail development. Best of all, we’re gaining these new assets without any investment of public money. First Interstate is generously providing this green space and will pay for all road improvements and amenities for the development. This is an opportunity to bring to our residents the same options for shopping and dining that have sprung up in the outer-ring suburbs over the past 20 years. This is a win-win for everyone and we look forward to working with First Interstate to ensure that the development is attractive, environmentally sustainable and embraces the character of our walkable, green neighborhoods.”

According to Schneider, “We will seek no subsidies from South Euclid or Cleveland Heights. In addition to the dedication of green space, 14 percent of this development will include residential housing, with the hope of preserving the existing country club building, pools and indoor-outdoor tennis facilities as amenities for the residents. This project is a reflection of the current national trend of people wanting to live closer to the core of our great city. Bringing amenities like green space and convenient retail help people make those decisions.”

The parcels in both South Euclid and Cleveland Heights are currently zoned for residential use and will require re-zoning. Property tax revenues from the development will benefit the Cleveland Heights-University Heights School District. A traffic study is currently underway and the plan is carefully designed so that Nine Mile Creek, which crosses the parcel in a diagonal direction, will not be disturbed.

First Interstate Properties, Ltd. is a Lyndhurst-based full service real estate development and management company. Since its inception, First Interstate has built a sound reputation as a development firm concerned about and responsible toward the impacts of commercial growth on surrounding areas. Local retail projects include Legacy Village in Lyndhurst, Steelyard Commons in Cleveland, Avon Commons in Avon and Creekside Commons in Mentor. For more information, please visit www.first-interstate.com.

###